



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #327

Stanley Correctional Institution (DOC -- Adult Correctional Facilities and Building Program)

[LFB 2001-03 Budget Summary: Page 158-1, #1, Page 158-13, #15, and Page 207, #5]

CURRENT LAW

No provision.

GOVERNOR

Provide \$20,593,700 GPR and 337.21 GPR positions and \$21,300 PR and 3.0 PR positions in 2001-02 and \$22,875,200 GPR and 397.0 GPR positions and \$155,500 PR and 3.0 PR positions in 2002-03 to operate the 1,500-bed Stanley Correctional Institution.

Modify current law to name any correctional institution that has been constructed by a private person and leased or purchased by the state for use by Corrections as a state prison.

BUILDING COMMISSION

Enumerate a \$79,917,000 project (\$74,915,600 in general fund supported borrowing and \$5,001,400 in federal funds) entitled "Correctional facility purchase-Stanley" in the 2001-03 state building program under the Department of Corrections.

Modify current law to specify that the correctional institution at Stanley enumerated in the 2001-03 state building program be listed as a state prison and named the "correctional institution at Stanley".

DISCUSSION POINTS

1. The facility has been privately constructed in Stanley, Wisconsin, by Dominion Venture Group, LLC, of Edmund, Oklahoma. On September 1, 2000, the Department of Administration (DOA) entered into an agreement with Stanley Correctional Properties, LLC (SCP) to lease, with an option to purchase, the Stanley Correctional Facility. As part of the agreement, DOA agreed to include a request for authorization of the lease and funds for operation of the facility in the 2001-03 biennial budget.

2. At the December, 1999, s. 13.10 meeting, \$103,500 GPR in 1999-00 and \$447,100 GPR in 2000-01 and 9.0 GPR positions annually were provided to: (a) address issues of correctional institution crowding and long-range planning; and (b) staff correctional facilities. Of the 9.0 GPR positions, Corrections allocated 2.0 positions to enhanced staff recruitment efforts. The remaining 7.0 GPR positions were allocated to the Stanley Correctional Facility as follows: 1.0 warden, 1.0 secretary for the warden, 1.0 human resources director, 1.0 business director, 1.0 buildings and grounds superintendent, 1.0 electronics technician and 1.0 security director. In 2000-01, \$367,200 GPR is budgeted for these positions.

3. The 2001-03 operating biennial budget and the capital budget assume that the facility will be purchased by the State by December, 2001, and open in July, 2002. The following table summarizes total funding (all funds) recommended by the Governor associated with the operation of the Stanley Correctional Facility.

<u>Item</u>	<u>2001-02</u>	<u>2002-03</u>
Personnel Costs	\$2,572,700	\$15,686,400
Supplies	1,213,100	2,434,100
Lease Payments	11,457,500	0
Property Taxes	1,562,000	0
Sewer and Water Payments to City	272,000	272,000
Inmate Food, Health and Supplies	0	4,249,400
Correctional Officer Training	1,362,300	388,800
Startup Costs	1,685,100	0
Vehicle Purchases	<u>490,300</u>	<u>0</u>
Total	\$20,615,000	\$23,030,700

4. In examining the proposal concerning the Stanley Correctional Facility, the following three issues should be considered: (a) the proposed operating expenses for 2001-03; (b) the enumerated project in the state building program and the proposed lease, property tax and sewer and water costs; and (c) the naming of the Stanley Correctional Facility as a state prison and the naming of any correctional institution that has been constructed by a private person and leased or purchased by the state for use by Corrections as a state prison.

Operating Costs

5. In August, 1998, Dominion began construction of a medium-security correctional facility in Stanley (approximately 25 miles east of Chippewa Falls). The facility, which was completed in the Fall of 2000, has 750 cells for housing 1,500 inmates in double-occupied cells with toilets ("wet cells"). In addition, the facility has 120 single-occupancy segregation cells and six infirmary cells. According to Dominion material from 1999, "[t]he goal of the project is to build a modern prison with Wisconsin labor that will be operated by the State of Wisconsin in order to house Wisconsin inmates."

6. Currently, the state does not operate any medium-security prisons that contain all wet cells. While each of the state's seven medium security prisons do have wet cells, these cells are generally used for segregation or specific program purposes such as mental health treatment and not for general population medium-security housing. Further, current state operating capacity standards assume that 50% of cells in medium-security institutions will be double celled, unlike the Dominion assumption of 100% of cells doubled. Also, operating capacity standards exclude segregation and infirmary housing from capacity because these types of inmate status are not considered permanent. If the state's operational capacity figures are applied to the Stanley Facility, the capacity would be 1,125 rather than 1,500. It should be noted, however, that all current state prisons operate above the identified operating capacity.

7. Under the bill, total operating costs of the Stanley Correctional facility, exclusive of lease costs and property tax payments but including one-time costs, are \$7,323,500 and 340.21 positions in 2001-02 (\$7,302,200 GPR and 337.21 GPR positions and \$21,300 PR and 3.0 PR positions) and \$22,758,700 (\$22,603,200 GPR and 397.0 GPR positions and \$155,500 PR and 3.0 PR positions) in 2002-03. The estimated annualized operating costs for the Facility are \$24,176,400 (\$24,020,900 GPR and \$155,500 PR).

8. In addition to staff already allocated by Corrections to the facility, the bill includes the following positions beginning in 2001-02: 1.0 GPR deputy warden, 1.0 GPR program assistant in the warden's office, 4.0 GPR personnel positions, 3.0 GPR positions associated with inmate complaints, 10.5 GPR financial services positions, 11.5 GPR food service positions, 16.0 GPR maintenance positions, 5.0 GPR institutional stores and canteen positions, 1.0 GPR institutional programs director, 1.0 GPR program assistant for the institutional programs director, 6.0 GPR records office positions, 2.0 GPR chaplains, 33.0 GPR education/recreation positions (1.0 GPR education director, 15.0 GPR teachers, 7.0 GPR teacher assistants, 1.0 GPR librarian, 1.0 GPR librarian assistant, 1.0 GPR client services assistant, 4.0 GPR recreation leaders and 3.0 GPR program assistants), 5.0 GPR psychological services positions (1.0 GPR psychologist supervisor, 3.0 GPR psychologists and 1.0 GPR program assistant), 26.25 GPR health service unit positions (1.0 GPR physician, 1.0 GPR dentist, 2.0 GPR dental assistants, 0.5 GPR dental hygienist, 1.0 GPR nursing supervisor, 1.0 GPR nurse practitioner, 10.75 GPR nurse clinicians, 6.5 GPR licensed practical nurses, 0.5 GPR diagnostic radiological technician and 2.0 GPR program assistants) 13.67 GPR positions for institutional security supervision for administration, security and training, 49.86 GPR housing unit positions generally associated with the first two of five housing units to open (5.0 GPR unit supervisors, 35.86 GPR correctional officers, 8.0 social workers and 1.0 GPR program

assistant), a segregation unit with 17.04 GPR positions (1.0 unit supervisor, 2.0 crisis intervention workers, 1.0 social worker and 13.04 correctional officers), 127.39 GPR correctional officers for institutional security, 3.0 GPR program review committee staff and 3.0 PR prison industry staff. In 2002-03, the bill would provide an additional 59.79 GPR positions to open the remaining three housing units (53.79 GPR officers and 6.0 GPR social workers).

9. The bill assumes that the facility will open in July, 2002, with one housing unit opening every five weeks. As a result, approximately 300 inmates would be placed at the Facility every five weeks, for a total of 1,500 inmates by the end of December, 2002. In order to achieve this schedule, the majority of correctional officer positions are created beginning June, 2002 (for one month in 2001-02) and training costs for these positions are funded in that year. Further, senior administrative and certain support positions are generally funded beginning between November, 2001, and February, 2002. The remainder of the positions hired in 2001-02 are funded for one or two months.

10. One-time costs at the Stanley Facility include \$1,685,100 GPR for startup costs in 2001-02 (building signage, linens, kitchen utensils, cleaning supplies, canteen inventory and miscellaneous supplies), \$340,500 GPR in 2001-02 and \$42,800 GPR in 2002-03 for one-time employee costs (vaccines and supplies) and \$490,300 for vehicles in 2001-02. These costs are comparable to funding provided for the startup of recent correctional institutions (Redgranite and New Lisbon). In addition, the bill provides \$1,362,300 GPR in 2001-02 and \$388,800 GPR in 2002-03 for correctional officer training.

11. While a specific program statement for the Stanley Correctional Facility has not yet been prepared, Corrections indicates that educational programs, alcohol and other drug abuse treatment and vocational training would be the institution's focus. This is supported by the staffing for the Facility provided in the bill. The education program, staffed with 10.0 education teachers, 4.0 vocational teachers and 1.0 teacher for guidance services, would provide adult basic education, high school equivalency diploma preparation, high school and vocational training on two shifts, five days per week. Likewise, library services would be available during these same periods. Further, one of the 300-bed housing units is staffed with 6.0 social worker positions (rather than 2.0 social workers in the other housing units) to provide short-term (three- to four-month) AODA treatment services. In addition, Corrections indicates that it intends to place an existing Badger State Industry program at the facility and may seek approval in the future for a private industry/prison employment project. The private industry project has not yet been determined and would require the approval of the Joint Committee on Finance before beginning.

12. The bill creates a 24-hour, seven-day per week health services unit for the facility. The unit would have the following nursing coverage: (a) Monday through Friday during the day, 4.0 nurse clinicians and 2.0 licensed practical nurses; (b) Saturday and Sunday during the day, 2.0 nurse clinicians and 1.0 licensed practical nurse; (c) weekly in the evening, 2.0 nurse clinicians and 1.0 licensed practical nurse; and (d) weekly at night, 1.0 nurse clinician and 1.0 licensed practical nurse.

13. In reviewing the staffing of the Stanley Correctional Facility, based on the facility's design and layout, in comparison to staffing at other correctional facilities and based on the 2001-03

state budget instructions, the following modifications could be made: (a) 1.0 storekeeper position associated with inmate canteen could be partially supported by PR, consistent with storekeeper positions in other correctional institutions; (b) 0.5 GPR program assistant for security administration could be removed; (c) 1.0 PR industries specialist associated with a potential private industry project which has not yet been approved could be removed; (d) adjustments associated with reduced correctional officer preservice training costs; and (e) turnover reduction and overtime calculation modifications. Operational costs under the bill could, therefore, be modified by -\$34,500 GPR and -1.3 GPR positions and \$2,800 PR and -0.2 PR position in 2001-02 and -\$138,300 GPR and -1.3 GPR positions and -\$27,600 PR and -0.2 PR position in 2002-03.

State Building Program and Lease

14. Under the agreement to lease, SCP agreed to: (a) provide state access to the facility beginning on September 1, 2000, to prepare the facility for prison use; and (b) make certain changes to the facility. In exchange, DOA agreed to: (a) include a request for authorization of the lease and funds for operation of the Facility in the 2001-03 biennial budget; and (b) pay operating expenses at the facility after entering into the agreement. If a lease is entered into for the facility, and as consideration for the right to occupy the facility, the agreement to lease states that DOA is required to pay SCP \$7,370,545.50 for rent of the facility from September 1, 2000, to June 30, 2001 (plus interest if the payment is made after September 1, 2001), on or before 30 days after the effective date of the budget bill.

15. The agreement to lease specifies that "In anticipation of obtaining Building Commission Approval and Legislative Approval, DOA desires to begin immediate occupancy of the Prison and SCP is willing to grant DOA such immediate occupancy of the Prison for readying it for prison use" under the following terms:

a. DOA is obligated to pay all operating expenses beginning September 1, 2000, with payment contingent upon the lease being entered into. Operating expenses are defined as "the aggregate annual sum of all actual, usual, and customary expenses which Lessor might incur pertaining to the Premises, including without limitation real estate taxes, special assessments (or payment in lieu of taxes if the Premises are exempt from real estate taxes or assessments) and costs of all property damage, public liability, rental interruption and fire and extended coverage insurance." DOA is required to pay these costs within thirty days after the effective date of the 2001-03 biennial budget plus interest if the amount is paid after September 1, 2001.

b. SCP will maintain property damage, public liability, rental interruption and fire and extended coverage insurance. These costs are a portion of operating expenses to be paid by DOA.

c. Beginning September 1, 2000, DOA was required to reimburse SCP for municipal sewer and water service. These costs ("in the minimum amount of" \$272,000 annually) are a portion of operating expenses.

d. On October 1, 2000, DOA was required to open an account with Northern States Power for electricity service and Wisconsin Gas Company for natural gas services at the prison.

DOA is solely responsible for the demand and payment of these costs.

- e. Upon occupancy, DOA is required to contract and pay for its telephone service.
- f. If the lease is not entered into, DOA is required to return the prison to SCP in as good a condition as at the time of occupancy.
- g. DOA will not allow alterations to the facility without approval of SCP.
- h. DOA requested additional items be added to the facility at SCP's expense, including an integrated voice and data system, two-way radio system, extension to an officers' sallyport (a secured entrance) and an emergency fuel backup system.
- i. The lease payment for the period of September 1, 2000, to June 30, 2001, is specified at \$7,370,545.50. "DOA's obligation to pay Operating Expenses and the amount owing pursuant to this subparagraph [lease costs] is subject to appropriation, provided that, so long as funds are appropriated for the Stanley Correctional Facility, they shall be deemed appropriated for the foregoing amounts."
- j. SCP will have full access to the facility until the lease is entered into as long as the access is coordinated with Corrections.

16. Under the option to purchase agreement, the purchase price of the facility, subject to adjustments described below, is \$76,916,000, unless purchased before February 28, 2002. In that case, the purchase price would be reduced by \$2 million, to \$74,916,000. The purchase price would be adjusted at the time of purchase by the following: (a) the state would be responsible for all real estate taxes under the lease; (b) the state would pay all special assessments levied or assessed after May 31, 2000; (c) the state would pay the recording fee for the deed; and (d) the state would pay any amounts due under the lease through the date of purchase.

17. The lease agreement specifies that the lease is subject to the availability of funds for payment of rent costs. "The continuation of this Lease beyond the limits of the funds already available is contingent upon the future availability of funds to support the payment of rent for Corrections. So long as funds are appropriated for the Stanley Correctional facility which is located on the Premises, Lessee [DOA] shall be deemed to be appropriating funds for the payment of rentals under this Lease. Lessee agrees throughout the Lease term to include a request for such funding for the Stanley Correctional facility in each of the Governor's Executive Budget Bills for the Department of Corrections pursuant to Wis. Stat. § 16.47. If such funds are not appropriated, Lessor [SPC] may terminate this Lease and Lessee shall promptly vacate the Premises leaving them in the condition required by this Lease." Under the lease agreement, payment of the lease costs are the first draw on any appropriated funding. Further, the lease specifically requires DOA to make budget requests for Stanley during the lifetime of the lease (ten years).

18. The 2001-03 capital budget enumerates a \$79,917,000 project (\$74,915,600 in general fund supported borrowing and \$5,001,400 in federal funds) entitled "Correctional facility purchase-Stanley" in the 2001-03 state building program under the Department of Corrections. The

federal funds, provided for prison construction costs under the Violent Offender Incarceration and Truth-in-Sentencing grant program, would be used to support moveable equipment costs at the Facility. The 2001-03 biennial budget provides \$11,457,500 GPR in 2001-02 for lease payments in accordance with the pre-lease and lease agreements with Stanley Correctional Properties (\$7,370,500 GPR for rent from September 1, 2000, to June 30, 2001, and \$4,087,000 GPR for rent from July 1, 2001 to December 31, 2001). In addition, the bill provides \$1,562,000 GPR in 2001-02 to pay property taxes on the Facility for 2000 and 2001 and \$272,000 GPR annually for sewer and water costs.

19. Estimated debt service costs associated with the Facility are \$3,006,000 GPR in 2001-02 and \$7,325,000 GPR in 2002-03. The bill includes debt service costs for the Facility in Corrections' sum sufficient debt service appropriation.

20. On May 28, 1999, the Attorney General issued an opinion regarding the construction and operation of private prisons in Wisconsin. According to the opinion: "While a private company may conceivably build an incarceration facility in Wisconsin, without enabling legislation it cannot be operated by a private company. The purchase or lease of a privately built incarceration facility by the state must be within the state's long range building program as expressed in Wis. Stat. § 13.48. A purchase must also be approved by the Joint Finance Committee. Out of state prisoners may be housed in Wisconsin by the state, a county or a municipality, only as expressly authorized by state statute. Currently that authorization is limited to the Interstate Corrections Compact (Wis. Stat. § 302.25)." In a footnote to the opinion it is noted that the "federal government, by virtue of the supremacy clause, is sovereign over Wisconsin" and, as a result, "the federal government may house federal prisoners in Wisconsin, subject to federal law."

21. According to DOA, the components of a construction project include construction, site development, utilities, fixed, special and movable equipment, design fees, supervision fees, a construction contingency, artwork (if applicable) and land. SCP has indicated that its total cost to construct the Stanley Correctional Facility, including land, architectural and engineering fees, loan commitment fees, legal and professional fees, easements and site access, construction, interest costs, administrative costs, development fees and real estate taxes, was \$83,512,482.

22. A direct comparison of the construction costs of the Stanley Facility and state facilities at similar security levels (medium-security) are difficult given that the Stanley facility was privately built, while other state prisons have been built under state auspices. A more direct comparison may, however, be to compare the purchase price of the 1,500 bed (750 cell) Stanley Facility, excluding movable equipment (\$74,915,600), with the 750 bed (500 cell) New Lisbon Correctional Institution, excluding moveable equipment, currently under construction (\$46,750,000). On a per bed basis, the Stanley Facility costs \$49,900 per bed, compared to \$62,300 per bed for New Lisbon. On a per cell basis, however, Stanley costs \$99,900 and New Lisbon cost \$93,500.

23. If the lease costs budgeted for Stanley in 2001-02 are included with the purchase cost of Stanley, the total cost to purchase the Facility is \$86,373,100. At this cost, the cost per bed at Stanley would be \$57,600, with a cost per cell of \$115,200.

24. The Committee should note that comparable adult, male, medium-security correctional institutions are currently operating at approximately 132% of operating capacity. These facilities accommodate additional inmates because the operating capacity assumes that only 50% of the cells will have two inmates. To the extent that more than 50% of the cells are doubled, additional inmates may be accommodated. At the Stanley Facility, given that 100% of the cells are already double occupied, it would be difficult to accommodate additional inmates.

25. As indicated previously, the pre-lease agreement specifies that DOA will pay for utility costs at the Facility beginning in October, 2000. As of April 1, 2001, energy costs already incurred are \$308,000, with Corrections estimating that total costs will be \$431,000 for 2000-01. These bills have not yet been paid by the state, but costs have been incurred.

26. On March 21, 2001, the Building Commission authorized the inclusion of the Stanley Correctional Facility in the 2001-03 state building program on a 7 to 1 vote. According to the Building Commission, the purpose of buying the Stanley Facility is to allow the state to return additional inmates currently placed in out-of-state contract beds to Wisconsin. Currently, there are approximately 4,500 inmates placed out-of-state. The Building Commission also indicates that Corrections needs additional prison space at state institutions to reduce crowding.

27. The 1999 Attorney General's opinion indicated that only the State of Wisconsin or the federal government could purchase and operate the Stanley Correctional Facility. The U.S. Department of Justice's Bureau of Prisons (BOP) is responsible for administering the federal prison system. According to BOP officials, when planning for capacity needs, the Bureau bases its decisions primarily on geographic need and the states of residence of its offenders. As a result, BOP's capacity needs are currently concentrated on the northeast, southeast and southwest United States. Federal officials indicate that the federal facility in Oxford, Wisconsin, addresses the Bureau's need for prison space in Wisconsin and that additional Wisconsin or Upper Midwest federal prison space is currently not necessary nor anticipated in the future.

28. The payment of lease, property tax and sewer and water costs by the state at the Stanley Correctional Facility prior to occupancy could be questioned. While DOA signed a pre-lease agreement on September 1, 2000, it can be argued that until the 2001-03 biennial budget is approved and Stanley is authorized in the 2001-03 state building program by the Legislature, it is not appropriate to commit the State to specific expenditures. Under the pre-lease and lease agreements, if the state leases or purchases the Facility it owes a specific amount (\$7,370,500 GPR provided in the bill) for rent from September 1, 2000, to June 30, 2001, and any additional amount for months in the 2001-03 biennium (the bill provides \$4,087,000 GPR for rent from July 1, 2001 to December 31, 2001). It can be argued that during the 1999-01 legislative session, the Legislature addressed the issue of whether to utilize the Stanley Facility and determined that the facility would not be used. No subsequent legislative action authorized use of the Stanley Facility. Likewise, payment of property taxes, sewer and water costs and utility costs at a facility that the state neither leases or owns may be viewed as inappropriate until the facility is leased or purchased.

29. DOA has indicated that if funding for the lease is not provided, DOA would be required to renegotiate the lease if the state wishes to use the facility.

30. The Stanley Correctional Facility is an existing structure that DOA and Corrections indicate could be utilized to house up to 1,500 medium-security inmates beginning in July, 2002. To the extent that the Committee agrees that inmates in out-of-state contract facilities should be returned to Wisconsin, the Committee may wish to approve the Building Commission's recommendation to enumerate a \$79,917,000 project (\$74,915,600 in general fund supported borrowing and \$5,001,400 in federal funds) entitled "Correctional facility purchase-Stanley" in the 2001-03 state building program under the Department of Corrections. However, given concerns that could be raised regarding lease costs, the Committee may wish to delete funding for lease (\$11,457,500), property tax (\$1,562,000) and sewer and water (\$136,000) costs prior to lease or purchase of the facility. The Committee could require that DOA renegotiate the lease agreement and submit a report to the Joint Committee on Finance for its approval specifying the final lease payment and the source of that funding.

31. If the Committee wishes to remove the Building Commission's recommendation and funding and positions provided in bill related to the Stanley Correctional Facility, housing will need to be provided in out-of-state contract beds. The bill assumes that the Stanley Correctional Facility will house an average daily population of 1,110 inmates in 2002-03. Under this alternative, costs and positions associated with the facility (\$20,593,700 GPR and 337.21 GPR positions and \$21,300 PR and 3.0 PR positions in 2001-02 and \$22,875,200 GPR and 397.0 GPR positions and \$155,500 PR and 3.0 PR positions in 2002-03), current base funding (\$367,200 GPR and 7.0 GPR positions) and estimated debt service costs (\$3,006,000 GPR in 2001-02 and \$7,325,000 GPR in 2002-03) would be removed, and an additional \$18,530,200 GPR in 2002-03 provided for contract beds. The net reduction over the biennium would be \$36,004,100 GPR.

32. The Committee should note that on an annualized basis, 1,500 contract beds would cost approximately \$25.0 million GPR compared to an estimated annualized cost of \$24.1 million GPR for the currently authorized and recommended positions at the Stanley Facility. Further, the need for additional contract beds may require Corrections to seek an increase in the current number of authorized out-of-state contract beds (5,157).

Naming of the Stanley Correctional Institution

33. Under current law, the Department of Corrections has the authority to "maintain and govern the state correctional institutions." The statutes identify specific state correctional institutions.

34. The Building Commission amendment would modify current law to name the correctional institution at Stanley as a state prison. In addition, the bill would modify the same section of the statutes to allow Corrections to maintain and govern "any correctional institution that has been constructed by a private person and leased or purchased by the state for use by the department".

35. While the Building Commission amendment would apply only to the Stanley Correctional Facility, the provision in the bill would apply prospectively to any privately constructed correctional facility. If a private company built a prison facility, Corrections would be

statutorily authorized to maintain and govern that facility.

36. If the Committee enumerates Stanley as a part of the 2001-03 state building program, the facility should be specifically named in order to allow Corrections to administer the facility. However, concerns could be raised regarding the provision allowing Corrections to operate any privately built prison. To the extent that the statutes allow Corrections to operate privately built facilities under lease or through purchase, the state may be viewed as encouraging the development of privately built prisons. These prisons, while eventually needing to be enumerated in the state building program in order for the state to be authorized to lease or purchase the facility, would not require state approval in advance of construction. As a result, the Committee may wish to retain the specific naming of Stanley and delete the more general naming of any privately built prison.

ALTERNATIVES TO BASE AND BILL

A. Stanley Correctional Facility Enumeration

[Note: The Building Program is a base agency. An affirmative vote is necessary for inclusion in the 2001-03 biennial budget bill.]

1. Approve the Building Commission’s recommendation to enumerate a \$79,917,000 project (\$74,915,600 in general fund supported borrowing and \$5,001,400 in federal funds) entitled "Correctional facility purchase-Stanley" in the 2001-03 state building program under the Department of Corrections. Approve the Building Commission’s recommendation to modify current law to specify that the correctional institution at Stanley enumerated in the 2001-03 state building program be listed as a state prison and named "the correctional institution at Stanley."

<u>Alternative A1</u>	<u>FED</u>	<u>BR</u>	<u>TOTAL</u>
2001-03 BUILDING PROGRAM (Change to Base)	\$5,001,400	\$74,915,600	\$79,917,000
[Change to Bill]	\$5,001,400	\$74,915,600	\$79,917,000]

2. Do not enumerate the Stanley Correctional Facility. Reduce Corrections’ sum sufficient debt service appropriation by \$3,006,000 in 2001-02 and \$7,325,000 in 2002-03.

<u>Alternative A2</u>	<u>GPR</u>
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$10,331,000]

B. Stanley Correctional Facility Operating Costs

[Note: Corrections is a bill agency. An affirmative vote is necessary to remove Stanley operating costs from the bill. Alternatives B1 and B2 should be considered only in conjunction with Alternative A1.]

1. Approve the Governor’s recommendation to provide \$20,593,700 GPR and 337.21 GPR positions and \$21,300 PR and 3.0 PR positions in 2001-02 and \$22,875,200 GPR and 397.0 GPR positions and \$155,500 PR and 3.0 PR positions in 2002-03 to operate the 1,500-bed Stanley Correctional Institution. Further, modify current law to name any correctional institution that has been constructed by a private person and leased or purchased by the state for use by Corrections as a state prison.

2. Modify the Governor’s recommendation related to operating costs at the Stanley Correctional Facility by adopting any of the following:

a. Adjusting funding by -\$34,500 GPR and -1.3 GPR positions and \$2,800 PR and -0.2 PR position in 2001-02 and -\$138,300 GPR and -1.3 GPR positions and -\$27,600 PR and -0.2 PR position in 2002-03 to reflect the partial PR support of 1.0 storekeeper position, the deletion of 0.5 GPR program assistant for security administration, the deletion of 1.0 PR industries specialist associated with a potential private industry project, adjustments associated with reduced correctional officer preservice training costs, and turnover reduction and overtime calculation modifications.

Alternative B2a	GPR	PR	TOTAL
2001-03 FUNDING (Change to Bill)	- \$172,800	- \$24,800	- \$197,600
2002-03 POSITIONS (Change to Bill)	- 1.30	- 0.20	- 1.50

b. Deleting \$11,457,500 GPR in 2001-02 for lease costs. Require DOA to renegotiate the Stanley Correctional Facility lease agreement and submit a report to the Joint Committee on Finance for its approval specifying the final lease payment and the source of that funding.

Alternative B2b	GPR
2001-03 FUNDING (Change to Bill)	- \$11,457,500

c. Deleting \$1,562,000 GPR in 2001-02 for property taxes on the Stanley Correctional Facility.

Alternative B2c	GPR
2001-03 FUNDING (Change to Bill)	- \$1,562,000

d. Deleting \$136,000 GPR in 2001-02 for sewer and water costs at the Stanley Correctional Facility prior to lease or purchase.

Alternative B2d	GPR
2001-03 FUNDING (Change to Bill)	- \$136,000

e. Removing the provision that would allow Corrections to maintain and govern any correctional institution that has been constructed by a private person and leased or purchased by the state for use by the Department.

3. Delete funding and staffing for the Stanley Correctional Facility (\$20,593,700 GPR and 337.21 GPR positions and \$21,300 PR and 3.0 PR positions in 2001-02 and \$22,875,200 GPR and 397.0 GPR positions and \$155,500 PR and 3.0 PR positions in 2002-03), and base funding and positions (\$367,200 GPR and 7.0 GPR positions annually). Further, delete the provision allowing the use of privately constructed correctional facilities. Provide \$18,530,200 GPR in 2002-03 for additional out-of-state contract beds.

Alternative B3	GPR	PR	TOTAL
2001-03 FUNDING (Change to Bill)	- \$25,673,100	- \$176,800	- \$25,849,900
2002-03 POSITIONS (Change to Bill)	- 404.00	- 3.00	- 407.00

Prepared by: Jere Bauer